

# The Democrats' VISION DEFICIT

HOUSE BUDGET COMMITTEE, REPUBLICAN CAUCUS

## Get Ready for Tax Hikes

Though the Democrat majority has yet to reveal their budget for fiscal year 2008, their actions to date show where they're headed – to making America the land of ever-higher taxes.

This became clear with their very first budgetary act this Congress: the renewal of a “pay-as-you-go” [PAYGO] mechanism that is really a subterfuge for automatic tax hikes masquerading as “fiscal discipline.” Highlights:

- The proposal allows Democrats to increase spending as much as they like – as long as they “pay for” it by cutting other spending or – *more likely* – by chasing that spending with ever-higher taxes.
    - ▶ Assumes that simply maintaining current tax law (enacted in '01 and '03) after 2010 is actually a NEW tax cut – requiring offsets to “pay for” it.
    - ▶ Entitlement spending, however, is assumed to go on forever...no offset required.
  - America does not need higher taxes. Every dollar added to the federal budget is a dollar taken away from some family's budget.
    - ▶ Congress's fundamental budget problem is that we spend too much – not tax too little.
    - ▶ Tax revenue has grown in *double-digit* percentages for the past two years – precisely because the '01 and '03 tax relief we've maintained has supported robust economic growth and job creation.
  - The Democrat vision of higher taxes in the guise of “fiscal discipline” buys them a short-term political talking point – but working families will pay the price.
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